



2006 UI & TDI WAGE BASES AND TAX RATES SET

Adelita S. Orefice, Director of the Department of Labor and Training, announced today that Rhode Island employers will pay Unemployment Insurance taxes according to Tax Schedule I during 2006 – the same tax schedule in effect for 2005. Depending on their experience with layoffs, employer tax rates will range from 1.69% to 9.79%. Rhode Island employers will be notified of their individual 2006 tax rates by the end of December.

The payroll tax for new employers - those who have not been covered by the Employment Security Act for three full years as of September 30, 2005 - will be 2.34% in 2006. The new employer rate for 2005 is 2.04%. The above employer tax rates do not include the Job Development Assessment of 0.21% that is paid by all taxable employers.

The wage base on which Employment Security taxes will be paid during the 2006 tax year will remain at \$16,000. The Employment Security fund had a balance of \$186.6 million as of September 30, 2005. This was only \$3.9 million less than one year ago.

The Temporary Disability Insurance (TDI) taxable wage base will be \$50,600 in 2006, an increase of \$1,600 over the 2005 base of \$49,000. The employee contribution rate for TDI will remain at 1.4 percent in 2006. The TDI fund had a balance of \$91.9 million as of September 30, 2005. This was a decrease of \$6.9 million from the prior year.

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